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NAZI WAR CRIMES DISCLOSURE ACT

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TELEGRAM AIRGRAM

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March 10, 1958
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SUBJECT: AHC Law 27

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On March 6 Motz of CSC Section, German Foreign Office, told Embassy officer that progress report has been approved for transmittal by Brentano, but that approval had been delayed in Federal Econ Ministry. As plans are to obtain Cabinet approval of transmittal of report, delay may arise from desire to defer transmittal until Adenauer has returned to Bonn and can take part in Cabinet discussion.

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Embassy officer was permitted quick look at report. It is 11-page outline of sales made and pending sales obligations, with heavy treatment given Krupp. Explanation is made that Krupp sales obligations have not been completed because of inability to find buyers in Germany and undesirability of selling outside Germany; unclear ownership status with respect to several enterprises is also mentioned. Report concludes with inconsistent comments that all deconcentration and decartelization actions have been completed and adds that CSC High Authority now has competence in these fields.

Motz also said that Krupp has submitted application for extension of final time for disposition of securities. Application is

Checked by

E:NEC:MEBlake,Jr/mgc

Telegraphic transmission and

classification approved by

E:OD - Mr. Ockey

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still with Economics Ministry which received it, and Three Embassies will not be notified until such notification has been approved by Cabinet. When Embassy officer referred to wording: Chapter One, Article 10, Paragraph 1, Settlement Convention, the mixed committee should be formed immediately after notification of Three Powers of receipt of application, Motz said his remarks should not be construed as notification and that notification will be made more formally, either by Note or by calling in representatives of Three Embassies. He added we could expect more definite information in "next several weeks".

Motz cryptically remarked that interim would give time to complete sales if any could be made, but would give no elaboration. This remark, coupled with several made to British Embassy official, invites speculation that Krupp may be planning dispose additional assets. In December, Motz told British that in February Beitz asked British what reaction would be to a sale by Krupp. British say they replied to Beitz that this would be happy conclusion of case, provided sale not made too soon as they have heard rumors of such plans from other sources.

British Foreign Office has asked British Embassy at Bonn to provide additional background information on AHC Law 27 cases. Request is similar to one made by Department in CA-6887, February 10, 1958. French Embassy has received no guidance from Paris, but has been told by Foreign Office official charged with AHC Law 27 responsibilities that a brief, containing proposals for settlement, was submitted to Foreign Minister in February; details are unknown by French Embassy officers.

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